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I.D. NO. CTD001164599  
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RDMS DocID 00100868

## MacDermid, Incorporated 1993 Annual Report

# World-Class Leadership Through People

## MacDermid Philosophy

### OUR PEOPLE

We continue to believe in the supreme worth of the individual and the dignity of his or her work for the benefit of all. We will provide the opportunity for the fulfillment and reward them in proportion to their contribution toward achieving the Corporate objectives.

We will continue to be a place of opportunity where people have the guts to fail. We will encourage the entrepreneurs and innovators. We will continually challenge the goals, objectives, organization and all the operating and procedural aspects of our business and your progress, our Company's long-term advantage and your long-term advantage, lie in our human resources. Other advantages that come about from technological improvements, the opening of new markets, lower costs, etc., all prove to be relatively short run. So, basically, it is the initiative, the will and the motivation that people bring to their work on which we rely for our survival and growth.

We will continue to try to attract new people who have probing minds; people who will at times be disturbed by our policy and procedures. If we are wise, we will put it to work or forget it.

### WHAT YOU CAN EXPECT FROM US

One, you can expect from us the fairest treatment of which we are capable.  
Two, you can expect from us, as a Company, complete honesty in whatever we do. Your assignments will never compromise the principles of honesty and common decency which we also expect you, as an individual, to uphold.  
Three, you can expect that we will provide assignments which will represent challenges to you ... assignments which will enable you to grow toward your professional and personal objectives.

Four, you can expect that we will offer opportunities for advancement. Our desire is to grow from within.  
Five, you can expect that we will be a demanding organization ... demanding of your time, your talents and the best which you as an individual have to offer. In this way our company will grow and you will grow with it.

Perhaps all this can best be summarized in these words from an unknown author:  
'Create mental pictures of your goals, then work to make those pictures become realities.  
Exercise your God-given power to choose your own direction and influence your own destiny and try to decide wisely and well.

Have the daring to open doors to new experiences and to step boldly forth to explore strange horizons.  
Be unafraid of new ideas, new theories and new philosophy to experiment... to test and try new ways.

Life has is the one you give it  
led by infinite possi-

## **MACDERMID CORPORATE PHILOSOPHY**

### **OUR BUSINESS**

MacDermid Incorporated is in the international business of researching, developing, acquiring, manufacturing, marketing, and servicing, for optimum profit to us and our customers, specialty chemicals and systems for the chemical treatment, surface preparation and finishing of metals, plastics and other materials in accordance with accepted ecological and social considerations.

### **OUR CUSTOMERS**

We will create an industry image that automatically causes people in the industries we serve to think first of MacDermid.

We will justify their action by first thinking of the customers' needs --- what's right for them makes it right for MacDermid --- by supplying a total system including processes, know-how and services that assist in meeting all their needs.

### **OUR PEOPLE**

We continue to believe in the supreme worth of the individual and the dignity of his or her work for the benefit of all. We will provide the opportunity for our people to fulfill satisfactorily their own personal objectives and ambitions and reward them in proportion to their contribution toward achieving the Corporate objectives.

We will continue to be a place of opportunity where people "have the guts to fail." We will encourage the entrepreneurs and innovators. We will continually challenge the goals, objectives, organization and all the operating and procedural aspects of our business and modify them when needed.

Our progress and your progress, our Company's long-term advantage and your long-term advantage, lie in our human resources. Other advantages that come about from technological improvements, the opening of new markets, lower costs, etc., all prove to be relatively short run. So, basically, it is the initiative, the will and the motivation that people bring to their work on which we rely for our survival and growth.

We will continue to try to attract new people who have creative and probing minds; people who will at times be disturbing -- questioning policy and procedures. If we are wise, we will welcome it, resolve it, put it to work or forget it.

We will continue to expand with the best possible talent available and continue to train them, and ourselves, so that we each increase our ability to contribute to the Company's progress.

We will each strive to exemplify the MacDermid Spirit of teamwork and cooperation throughout the organization which has been instrumental to our past and present growth as a corporation.

### **WHAT WE EXPECT FROM YOU**

First and foremost, we expect of you a fundamental honesty --- honesty with yourself, with your Company and with all those with whom you interact, whether they be associates within our organization, our customers or society in general. Character and strength have always been born of honesty and a willingness to face up to the truth of each situation as it arises.

Second, we expect and insist on hard work. An easy life, marked by the absence of difficulty, builds neither character nor happiness. We believe that self-realization of the individual is founded on accomplishment, which implies a willingness to make the sacrifices necessary to get the job done the way it should be done.

Third, we expect you to accept responsibility. Every assignment you will have carries with it a responsibility for accomplishment. Commit yourself to achievement which you consider beyond the scope of your talents and then program your effort to translate it into a reality.

Fourth, we expect of you a loyalty --- loyalty to yourself, your family, your associates, your organization and our customers. We have always worked together as an organization and your own personal achievements will be measured in terms of the contribution you make to our joint effort.

Fifth, we expect you to demonstrate good judgment. Judgment is essentially an ability to appraise facts. Factual knowledge must come before good judgment. This means you must continually educate yourself on our Company, our products and our industry. In this way, you will have the material on which a sound appraisal of good judgment is based.

This is what we expect of you, and being in an extremely competitive environment, we have a real urgency in this expectancy.

#### **WHAT YOU CAN EXPECT FROM US**

One, you can expect from us the fairest treatment of which we are capable --- fair in respect to matters of compensation, fair in respect to working conditions and fair in respect to personnel policies.

Two, you can expect from us, as a Company, complete honesty in whatever we do. Your assignments will never compromise the principles of honesty and common decency which we also expect you, as an individual, to uphold.

Three, you can expect that we will provide assignments which will represent challenges to you --- assignments which will enable you to grow toward your professional and personal objectives.

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Perhaps all this can best be summarized in these words from an unknown author:

"Create mental pictures of your goals, then work to make those pictures become realities.

Exercise your God-given power to choose your own direction and influence your own destiny and try to decide wisely and well.

Have the daring to open doors to new experiences and to step boldly forth to explore strange horizons.

Be unafraid of new ideas, new theories and new philosophies.

Have the curiosity to experiment...to test and try new ways of living and thinking.

Recognize that the only ceiling life has is the one you give it and come to realize that you are surrounded by infinite possibilities for growth and achievement.

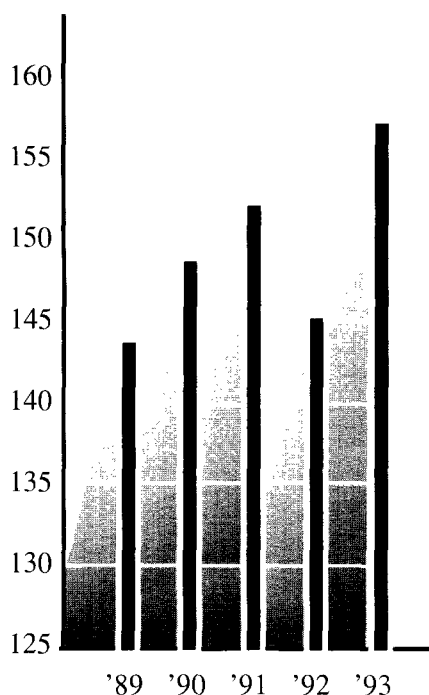
Keep your heart young and your expectations high and never allow your dreams to die."

(In thousands, except share and per share data)

	1993	1992	% Change
Net Sales, United States .....	\$ 67,773	\$ 66,637	2
International .....	88,551	78,347	13
Total Revenues .....	\$156,324	\$144,984	8
Net Earnings .....	\$ 7,687	\$ 7,244	6
Return on Sales .....	4.9%	5.0%	
Return on Average Equity .....	12.1%	12.7%	
Net Cash Provided by Operations .....	\$ 9,342	\$ 5,782	62
Research and Development Expense .....	\$ 5,796	\$ 5,215	11
Capital Expenditures .....	\$ 4,594	\$ 4,453	3
Long-term Debt (Includes Short-Term Portion) .....	\$ 2,684	\$ 2,812	(5)
Average Shares Outstanding .....	3,565,371	3,565,000	—
Shareholders' Equity .....	\$ 65,181	\$ 61,050	7
Per Common Share			
Net Earnings .....	\$ 2.16	\$ 2.03	6
Cash Dividends .....	\$ 0.60	\$ 0.60	—
Book Value .....	\$18.27	\$17.12	7

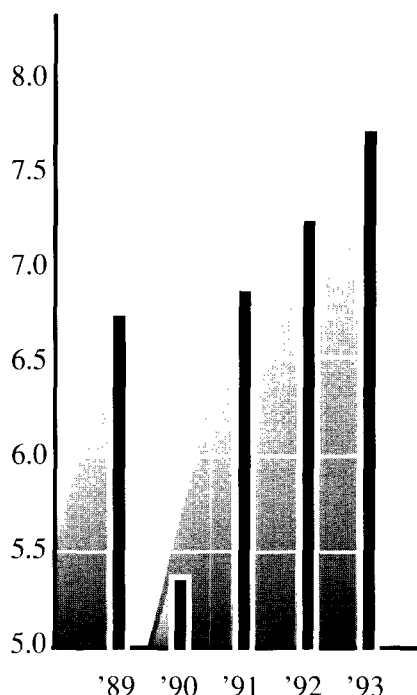
## NET SALES

( In \$U.S. Millions )



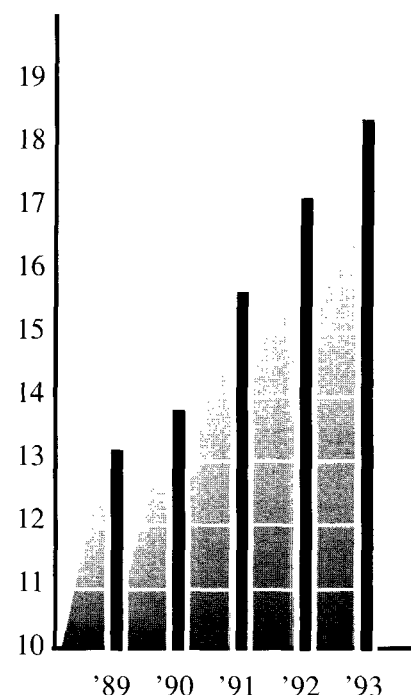
## NET EARNINGS

( In \$U.S. Millions )



## BOOK VALUE

( Per Share In \$U.S. )



(In thousands, except share and per share data)

**OPERATING RESULTS**

	1993	1992	1991	1990	1989
Net Sales .....	\$156,324	\$144,984	\$151,359	\$148,599	\$143,447
Net Earnings .....	\$ 7,687	\$ 7,244	\$ 6,784	\$ 5,310	\$ 6,714
Net Earnings Per Share .....	\$ 2.16	\$ 2.03	\$ 1.90	\$ 1.49	\$ 1.85
Return On Sales (%) .....	4.9	5.0	4.5	3.6	4.7
Return On Average Equity (%) .....	12.1	12.7	12.9	11.1	14.5

**FINANCIAL POSITION AT YEAR END**

Working Capital .....	\$ 31,050	\$ 27,620	\$ 23,301	\$ 16,046	\$ 13,355
Current Ratio .....	1.8	1.7	1.5	1.3	1.3
Capital Expenditures .....	\$ 4,594	\$ 4,453	\$ 3,198	\$ 3,466	\$ 6,174
Total Assets .....	\$107,173	\$101,214	\$103,252	\$101,609	\$100,013
Long-term Debt (Includes Short-Term Portion) .....	\$ 2,684	\$ 2,812	\$ 4,199	\$ 7,588	\$ 10,916
Percent of Total Capitalization .....	4.0	4.4	7.0	13.2	18.8

**SHARE DATA**

Shareholders' Equity .....	\$ 65,181	\$ 61,050	\$ 55,848	\$ 49,746	\$ 47,075
Per Share .....	\$18.27	\$17.12	\$15.67	\$13.95	\$13.15
Cash Dividends Per Share .....	\$ 0.60	\$ 0.60	\$ 0.60	\$ 0.60	\$ 0.58
Payout as Percent of Net Earnings .....	27.8	29.5	31.5	40.3	31.2
Shares Outstanding					
Average During Year .....	3,565,371	3,565,000	3,565,000	3,568,806	3,622,973
At Year-end .....	3,567,382	3,565,000	3,565,000	3,565,000	3,578,800
Stock Price					
High Bid .....	29 <sup>1/2</sup>	29	26 <sup>1/2</sup>	28 <sup>1/4</sup>	28 <sup>1/2</sup>
Low Bid .....	23 <sup>3/4</sup>	21	16 <sup>1/2</sup>	15	23 <sup>1/2</sup>
Bid at Year-end .....	27	28 <sup>1/8</sup>	24 <sup>1/2</sup>	19 <sup>1/2</sup>	26 <sup>1/4</sup>

## MESSAGE TO SHAREHOLDERS

### TO OUR SHAREHOLDERS:

We are pleased to report all-time record sales and profits. Net income of \$7,687,000 or \$2.16 per share was 6% higher than in 1992, with operating profit showing a 41% increase. Total sales of \$156,324,000 were 8% over the previous year.

This is the **third consecutive year of earnings growth** despite the recession, an accomplishment which gives us pride. Fourth quarter earnings of \$0.68 per share were 19% better than the same period last year. We are hopeful that we have turned the corner of the global recession, especially in electronics. Although some parts of the world such as Japan and Germany are still experiencing deep recession, the majority of our markets are healthy. Your Company has undergone significant change during fiscal years 1991 and 1992. We will continue to change at a rapid rate reacting to the needs of our customers as only an independent company can. We are hopeful our energies can be channeled more positively, building upon the solid foundation we have established.

We have often talked about our **Corporate Philosophy**. **Formalized in 1964**, but practiced for many years before, this guiding concept is still as meaningful as it was when written. Modern concepts like Total Quality Management (TQM) are all embodied in our 29 year old document. Consider the following Philosophy quotes:

***"...we will justify their (customers) actions (thinking of MacDermid) by thinking first of our customers' needs... what's right for them, makes it right for MacDermid."***

*Sound like focus on customer satisfaction, the bottom line of TQM? How about...*

***"...we will continue to expand with the best possible talent available and continue to train them and ourselves, so that we each increase our ability to contribute to our Company's progress."***

*Another TQM mandate – continuous improvement and a learning organization!*

We have published the Philosophy in this report for years. This year we chose the cover of the report. What better location for our guiding Corporate values.

As shareholders, our employees hold a major stake in our Corporation, with 23% of outstanding shares held in our benefit plans, and more held directly. For this reason, we often use this annual report message to communicate internally as well as externally. It may make the message seem a bit unusual but, we feel, appropriate.

### **WORLD-CLASS LEADERSHIP THROUGH PEOPLE**

This simple phrase describes our vision.

World-class leadership implies we intend to be more than "mere players" in our businesses. We also want to do more than simply lead in market share. Having more share than the competition doesn't necessarily prove leadership qualities. Yes, we want to be world leaders in our business, but we also **expect to be world-class in our methods**. World-class leaders can look in the mirror and be proud of their actions. That means having the highest standards in dealing with customers, suppliers, communities and each other. Our values are clearly articulated in the Philosophy: **dignity, teamwork, honesty, character, sacrifice, responsibility, loyalty, judgement.**

Our Industrial Products and Electronics Chemicals business segments derive competitive advantage in two ways. First is our worldwide infrastructure. This places applications specialists at the customer site, worldwide. Second, our people as owners, are deeply committed to our independent Company.

World-class leadership means we'll be ahead of the competition. It means **clearly, unequivocally being the best**. One doesn't become the best without an intense desire to win. Because of this, our customers recognize us as leaders in industry commitment, innovation and customer service. Other prominent concepts in our Philosophy are: **motivation, hard work, accomplishment, achievement, competitive, urgency, challenge and demanding.**

World-class leadership through people means aggressive pursuit of worldwide leadership through **people** as the key ingredient, in a manner we can be proud of. Our Philosophy then fits well with the current times: customer focused, people oriented. But equally important, it fits the business. Other businesses may be

driven by large capital or natural resource needs. MacDermid's is people driven – worldwide.

### **TOTAL QUALITY MANAGEMENT**

Total Quality Management is a phrase that can mean many things. Since MacDermid has embarked on a major TQM program, we would like to offer our interpretation of TQM. MacDermid's TQM program is designed to align our Company to both high levels of customer satisfaction and efficient operation. For example, our factory costs including raw materials are about \$80 million per year. By eliminating waste and duplication, would it be possible to save 10%? Our profit before tax is \$12 million – an \$8 million improvement in factory operations is an increase of 66%. How about selling, technical and administrative expense, now about \$55 million – a target for efficiency? You bet! We believe high levels of customer satisfaction are consistent with, in fact more likely to occur with, effective and efficient operations.

What about the top line? We have a superior R&D team. Clearly world-class. We spend \$5 million per year in R&D. Is it all money well spent? Are we as good as we could be at integrating marketing, field and R&D functions in product planning needs? While we stack our R&D team against anyone, there is always room for improvement.

Our TQM effort is based upon customer satisfaction and efficiency driven. **We must eliminate waste, and we must innovate at record levels** if we expect to be world-class leaders.

So we pursue Quality, not for Quality's sake, but as the way to fulfill the needs of our customers, our employees and our shareholders. Through the early results of this effort, we have already proven that Quality is not only free, it is profitable; but you have to invest in it.

### **BUSINESS STRATEGIES UPDATE**

Two years ago we discussed business strategies in our annual report. Since then, we have built on these strategies. Here is our current position.

### **ELECTRONICS CHEMICALS**

The major market segment for our Electronics Chemicals business is products used in printed circuit fabrication. Our Spectrum strategy and Integrated Systems strategy are major focal points of our Electronics business. The Spectrum strategy is designed to leverage our leadership position in Electronics Chemicals through product line expansion. The Integrated Systems strategy allows us to meet the needs of our customers for results that depend on integrating chemicals with equipment.

We continue to invest heavily in product line expansion to extend our reach into new technology areas. The market for our traditional offerings is about \$300 million, of which we currently have about a 30% share. The market for our new offerings is about \$800 million. It is reasonable to aim for a similar share in these new areas.

### **TRADITIONAL OFFERINGS**

In our traditional product lines, we have had great success in our R&D efforts. Among our core offerings are electroless copper systems for connecting through-holes in printed circuit boards. M-Systems, our new high-tech electroless copper, has allowed us to gain share through many conversions by major customers. It provides higher reliability and a wider operating window or production tolerance which enables customers to improve their yields and insure higher reliability.

We also continue to make advances in two alternate approaches to electroless copper to provide our customers the ability to metalize circuit board through-holes with environmentally more friendly, lower cost processes. The first alternative is Blackhole™, which metalizes the holes with carbon and is automatically applied through horizontal processing. Blackhole is now the world leader in electroless alternative systems.

For those customers who process printed circuit boards in a vertical, "one up" mode, we are in the final stages of preparing our second alternative, the Phoenix process. Phoenix has displayed extremely wide operating windows. This is an unusually robust process.

## MESSAGE TO SHAREHOLDERS

We have also continued to gain share in materials which provide a bondable surface for multilayer printed circuit board lamination. OmniBond Plus, introduced this fiscal year, has now become one of the world's leading innerlayer lamination processes.

### NEW OFFERINGS

A major new market segment, in which we anticipate extraordinary growth, is **Imaging Systems**. Imaging materials are used to define and protect the printed circuit conductor patterns. While we currently have a small position in this \$500 million market, we have the market access and technology know-how to compete successfully. We are now increasing our investment significantly. We recently had the good fortune to attract several of the top contributors in this business from the competition. As large companies with established market positions retrenched during the market down-turn, we took advantage of our healthy position to staff up. We are very confident that we have the team in place to carve out a leadership position. Our latest entry, MACuMask Photoimageable Soldermask, is already gaining gratifying market acceptance. It offers much safer chemical formulation than current competitive offerings and has significant end use advantages.

Technology is the key to penetrating the Imaging market, and we have two important positions. One is our expertise from our past activities in imaging materials for microelectronics. Secondly, our patent coverage in water-borne resists is broad and effective. We believe this will be the basis for a winning business.

Another new market segment in which we anticipate strong growth is final conductor finishing. Due to the emerging requirements for surface planarity of conductor pads for automated miniature component placement on printed circuit boards, we have introduced two important new product offerings. The first is M-Coat, a family of organic coatings which replace tin/lead in circuit board production. The second is Planar, a family of electroless nickel-gold or palladium finishes for high-tech circuit boards where field repairability is important. This new application could become a very large business for MacDermid.

### INDUSTRIAL PRODUCTS

Our metal and plastic finishing chemicals business has completed a strategic review which resulted in significant changes that drove FY '93 to record proprietary sales and profits.

Our strategy changes were twofold: Firstly, we expanded our efforts globally. FY '93 saw double-digit sales increases for I.P., both in Asia and Europe, despite the recession in Europe. The other change was cost reduction. We reduced significantly our cost structure, especially in the U.S., both in I.P. operations and Corporate expense. We now have a cost structure and mentality that insures our leadership position. We are clearly a low-cost provider, and we can use our low-cost position strategically to gain or protect share.

We are emphasizing products in three primary areas:

### MACS: MACDERMID ANTI-CORROSION SYSTEMS

MACS is a unique approach, providing the metal finishing industry with a complete anti-corrosion product line for obtaining desired finish performance. MACS covers the entire anti-corrosion spectrum in corrosion resistant finishes from low-cost dip coatings for in-process protection to sophisticated Alloy Brightener systems with organic top coats that greatly increase outdoor exposure protection. This total approach allows our customers to choose the best coating to meet either their specification needs or the needs of their customers.

### ELECTROLESS NICKEL

Of the many available metal finishing techniques, MacDermid's electroless nickel has quickly gained recognition as one of the industry's most advanced plating systems. Our ongoing research as well as technology acquisitions have provided us with outstanding products. The range of products plated through this method continues to grow and, for this reason, electroless nickel is a bright spot in our I.P. business.

### NEW DIMENSIONS CLEANERS

New Dimensions is an aqueous based cleaning and degreasing system that replaces harmful, ozone-depleting chemicals with environmentally friendly components. Dominant industry cleaning ingredients such as chloro-fluoro carbon (CFC) and other solvents are being eliminated worldwide through legislation. Compared to the CFC/solvent-based industrial cleaners, New Dimensions has consistently outperformed competitive systems. For this reason, we are excited about the potential sales revenue that this product line offers.



## **INTERNATIONAL**

Our international operations continue to increase in proportion to the total. Approximately 57% of revenue comes from sales outside the United States. **Our worldwide infrastructure is an important competitive advantage.** Since the Electronics Industry is truly global, we need to operate locally in each distinct worldwide market.

Although Europe has been in a serious recession, growth in Industrial Products, and the acquisition of Olin's electronic chemicals business, enabled us to maintain profitability. With the relaxation of cross-border restrictions, we are experimenting with regional operating companies. Our global diversity is an important asset. By balancing earnings from different regions, we are able to smooth the impact of serious recession in any one market.

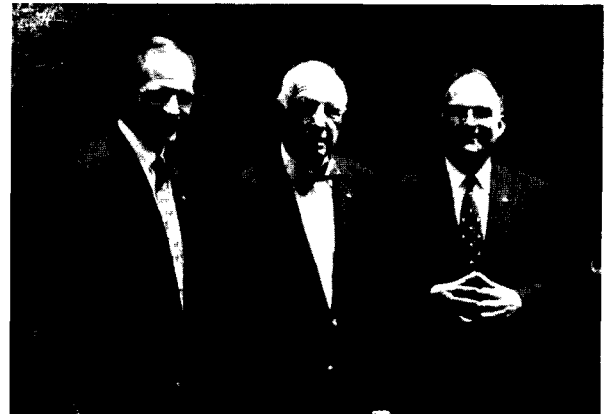
In Asia, where our business base continues to grow, we are making significant investments. We are expanding our factory in Taiwan to enable us to satisfy the new demand throughout the region. The Japanese market has always been elusive for us. Even though we have significant presence, including a multi-million dollar technical center, with one third of the world market represented by Japan, our efforts have produced only a modest share. Therefore, we have initiated a ten year investment program that is expected to grow our market share to leadership levels. We are adding to our staff in Japan and, starting immediately, we will fund R&D intended to forge technical leadership. China has the fastest growing economy in the world today. We have significant business in China serviced through our Hong Kong company. We are now investigating ways to become a more important participant in China.

## **COMPETITION**

During the past few years, several of our major global competitors were bought out by large companies with other primary interests, e.g., metals, oil, or basic chemicals and resins. This major development will affect the strategic interplay of this business for a long time. It has been long known within our industry that the needs of this specialty, people oriented business are not consistent with a large company mentality. We are increasingly confident that our people, as owners of MacDermid, by delivering world-class customer service and technically superior products, will realize greater sales growth.

## **THE OUTLOOK**

I know we speak for all shareholders in thanking our people, worldwide, for their extra efforts in difficult times. We are hopeful we can report another record year next year.



*Left to right: Daniel Leever, Harold Leever and Art LoVetere*

## **THE END OF AN ERA**

Art LoVetere, our Vice Chairman and former CEO is retiring to begin his previously announced second career as a Deacon of the Roman Catholic Church in Northern Michigan. Art will leave after the Clan Bake and Annual Meeting this July. Art and Joan served loyally for 33 years making many sacrifices for MacDermid. We know we speak for all of you in wishing Art and Joan well and Godspeed in their new vocation.

Harold Leever *Chairman of the Board*

Daniel H. Leever *President and Chief Executive Officer*

**MACDERMID, INCORPORATED AND SUBSIDIARIES  
OPERATIONS OVER A FIVE YEAR PERIOD**

(In thousands, except per share amounts)

	Year Ended March 31				
	1993	1992	1991	1990	1989
Net sales:					
Proprietary chemicals .....	\$130,132	\$115,595	\$120,937	\$118,480	\$115,529
Equipment, chemicals and supplies resale .....	26,192	29,389	30,422	30,119	27,918
	<u>156,324</u>	<u>144,984</u>	<u>151,359</u>	<u>148,599</u>	<u>143,447</u>
Cost of sales .....	83,900	79,908	82,175	82,580	79,225
	<u>72,424</u>	<u>65,076</u>	<u>69,184</u>	<u>66,019</u>	<u>64,222</u>
Gross profit .....					
Selling, technical and administrative expenses .....	56,880	54,038	55,938	52,904	51,591
	<u>15,544</u>	<u>11,038</u>	<u>13,246</u>	<u>13,115</u>	<u>12,631</u>
Operating profit .....					
Other income (expense):					
Interest income .....	364	384	368	418	476
Interest expense .....	(1,870)	(1,576)	(2,021)	(3,068)	(2,314)
Foreign exchange .....	(472)	(392)	(189)	(568)	18
Miscellaneous, net .....	(1,228)	1,531	(71)	(674)	278
	<u>(3,206)</u>	<u>(53)</u>	<u>(1,913)</u>	<u>(3,892)</u>	<u>(1,542)</u>
Earnings before income taxes .....	12,338	10,985	11,333	9,223	11,089
Income taxes .....	4,651	3,741	4,549	3,913	4,375
	<u>\$ 7,687</u>	<u>\$ 7,244</u>	<u>\$ 6,784</u>	<u>\$ 5,310</u>	<u>\$ 6,714</u>
Net earnings .....					
Net earnings per common share .....	<u>\$2.16</u>	<u>\$2.03</u>	<u>\$1.90</u>	<u>\$1.49</u>	<u>\$1.85</u>

# MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

1993

MACDERMID, INCORPORATED AND SUBSIDIARIES

## FIVE YEAR SUMMARY

(In thousands, except per share amounts)

	1993	1992	1991	1990	1989
Net sales:					
United States .....	\$ 67,773	\$ 66,637	\$ 72,319	\$ 77,761	\$ 77,769
International .....	88,551	78,347	79,040	70,838	65,678
	<b>\$156,324</b>	<b>\$144,984</b>	<b>\$151,359</b>	<b>\$148,599</b>	<b>\$143,447</b>
Net Earnings .....	\$ 7,687	\$ 7,244	\$ 6,784	\$ 5,310	\$ 6,714
Net Earnings per Common Share .....	\$2.16	\$2.03	\$1.90	\$1.49	\$1.85
Cash Dividends Declared per Share .....	\$0.60	\$0.60	\$0.60	\$0.60	\$0.58
Total Assets .....	\$107,173	\$101,214	\$103,252	\$101,609	\$100,013
Long Term Obligations - non current .....	\$ 983	\$ 1,348	\$ 1,940	\$ 2,694	\$ 6,158

### NET SALES AND OPERATING PROFITS OVERVIEW

Worldwide sales for fiscal 1993 increased 8% due to the benefit of business acquired in February 1992 from Olin Hunt Specialty Products, Inc. and higher U.S. and Far East proprietary chemical sales. Net earnings increased 6% for the year due to the higher sales volume and a better cost/price relationship in domestic operations. Operating profit increased \$4.5 million or 41% but was partially offset by higher non-operating expense and the fact that certain one-time income items benefiting the prior year did not occur in 1993; as a result, net earnings increased to \$7,687,000 or \$2.16 per share.

### UNITED STATES 1993 vs 1992

The integration of the Olin Hunt printed circuit board chemical business acquired on February 3, 1992 contributed to 5% growth in core business chemical sales. Reasonable growth was achieved in major product lines despite the sluggish domestic economy as the Corporation remains focused on development and introduction of proprietary specialty chemicals for the electronic and industrial markets. Sales of new products introduced in the last three years accounted for 21% of U.S. chemical sales volume in the current year. The growth in core business was partially offset by reduced sales associated with the disposal, which took place in the second quarter, of a process equipment business. As a result, total U.S. segment sales grew to \$67.8 million or 2% above prior year.

U.S. operating profit significantly improved during the year to \$3.6 million from \$1.9 million in 1992 as the Corporation continued to focus on reducing costs throughout all areas of the business. Fiscal 1993 showed significant improvement in the reduction of raw material costs,

savings in manufacturing and distribution through facilities consolidation, and the formation of a strategic alliance with a West Coast distributor to enhance profitability. Additionally, profits were helped by improved product mix, reflecting a greater proportion of proprietary sales to total sales. The Blackhole™ technology acquired last year from Olin Hunt also contributed to sales and profit growth.

As noted last year, MacDermid entered into a joint venture with a German company, Hans Hollmuller Maschinenbau GmbH for the purpose of acquiring the assets of Siegmund, Inc. The joint venture company, Siegmund Incorporated, is in the business of manufacturing (under license from Hollmuller) a range of precision, modular, horizontal production equipment for the printed circuit board and chemical machining industries. The joint venture business, which incurred losses during fiscal 1993, has recently downsized to accommodate the current level of orders and has begun to concentrate on standard product offerings versus made-to-order machines.

### 1992 vs 1991

The U.S. economic recession was largely responsible for an 8% sales decline in fiscal 1992. MacDermid's proprietary chemicals, used to manufacture components included in a wide variety of consumer products (including communications, entertainment, computers, automobiles, household appliances and plumbing accessories), are directly affected by economic recession and recovery. Cost reductions begun in the first quarter of fiscal 1992 and accelerated in the second quarter enabled operating profit to increase by \$1.8 million.

During fiscal 1992, the Corporation realized one-time before tax profits totaling \$2.4 million from the sale of a building and favorable settlements

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# MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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of a patent infringement suit brought against a competing company and of a licensing agreement with another company. Partially offsetting these gains were costs covering termination benefits relative to a work force reduction and the closing of a manufacturing facility, together amounting to \$1.4 million.

On February 3, 1992, the Corporation consummated a transaction in which it acquired the European and Singapore based printed circuit board chemicals business of Olin Hunt Specialty Products, Inc. In addition, MacDermid acquired exclusive worldwide rights to Olin Hunts's Blackhole™ technology. The greater part of the combined business is based in Europe where, because the group's financial reporting is based on a calendar year, the acquisition cost and effects on operating results were reflected in the first quarter of fiscal 1993. The business augments the Corporation's electronic chemicals business, representing both an expansion of sales in traditional product lines and the addition of novel technology.

### EUROPE

#### 1993 vs 1992

As a region overall, Europe showed improved sales and earnings in fiscal 1993, while results by country varied. Sales of \$41.7 million, increased by 11% over 1992 almost entirely due to the business acquired from Olin Hunt in February 1992, with decreased sales occurring in the Netherlands and Spain because of continued weak economic conditions. Operating profit for the region increased 52% to \$3.4 million due to a combination of an overall improved sales mix between proprietary sales and lower margin equipment sales. However, improved operating profits were negated by increases in other expenses thereby limiting the increase in net earnings. Increases in other expenses were caused by higher interest expense, unfavorable foreign currency exchange and costs associated with the Olin Hunt business integration.

German operations which incurred a loss in fiscal 1993, are being restructured. Certain operations will be consolidated in the upcoming year and research and technical facilities transferred to an affiliate in the Netherlands to provide cost and tax benefits. The Corporation will maintain a sales distributorship to serve the German market while substantially reducing the cost base.

#### 1992 vs 1991

The European group as a whole experienced a 2% sales decline in 1992 relative to the previous year. The effects of severe recession affected operations particularly in the United Kingdom, Germany and Italy. Proprietary chemical sales, from which most profits are derived, were down almost

13% while equipment and resale chemicals showed increases. Gross profits were adversely affected by the change in sales mix and by the combined effects of rising costs of resale chemicals and equipment and a softening market in which it was not possible to pass on many of the cost increases. Recession also affected trade accounts receivable from customers causing an increase in provision for doubtful accounts of over \$700,000 from the previous year. Operating profits for the year were lower by more than half.

### FAR EAST

#### 1993 vs 1992

The Far East continues to be the fastest growing segment with net sales increasing 25% in fiscal 1993 to \$31.6 million. Singapore and Hong Kong showed the largest gains while Japan was negatively impacted by continued recession in the local market. Gross profit margins declined slightly, primarily due to competitive market pressures in Japan and a higher proportion of lower margin sales in Singapore. Operating expenses increased 21% because of business acquisition in Singapore and other requirements for a higher level of sales support throughout the region. Despite the gross margin decline, operating profits were up 22%. The adverse effects of additional royalty payments to the U.S. and the lack of one-time profit items available during the previous year limited the net earnings increase to 2%.

Operations related to Australia and New Zealand previously included in this geographic segment are now included in the Independent segment. Prior year comparisons have been restated to conform with current reporting.

#### 1992 vs 1991

The Far East group had record sales and net earnings in 1992 with proprietary chemical sales up more than 9% and net earnings up 61% from the previous year. Overall sales increases were reported in Japan, Taiwan, and Singapore. Improvements in product mix were largely responsible for generally improved gross profit margin percentages. Continued growth in the area necessitated staff additions in most areas resulting in higher selling, technical and administrative expenses. Net earnings were favorably impacted by nontaxable dividends received on an investment in the common stock of Process Automation (International) Ltd., a Hong Kong equipment manufacturer.

### INDEPENDENT

#### 1993 vs 1992

Net sales for the Independent group in fiscal 1993 of \$15.2 million were flat compared to the prior year, while net earnings increased from

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\$531,000 to \$601,000. This reporting group, subject to widely differing economic conditions, includes the operations of companies located in Israel, Australia, New Zealand, South Africa, Canada and Brazil. The increased earnings were mainly due to improvements in Australia and New Zealand, while a loss was incurred in Israel partly due to the expiration of a cost recovery agreement for a research and development project.

MacDermid recently received approval from the Israel-United States Binational Research and Development Foundation (BIRD) to investigate leading edge, patent pending imaging processes for manufacture of printed circuit boards. A \$434,000 conditional grant for the two-year project is to be repaid through royalties on sales of products developed at the Corporation's facilities in Israel and the U.S.

### 1992 vs 1991

The companies comprising this group reported sales declines ranging from 9% in Canada and South Africa to 23% in Brazil for an overall decline for the group of about 11.5%. A \$367,000 increase in the provision for doubtful accounts in Australia was responsible for the group's 11% earnings decline from 1991. Losses in Brazil, resulting from government instituted economic controls early in fiscal 1991, were reduced in 1992. Losses in Brazil for fiscal years 1991 and 1992 did not result in income tax benefits due to restrictions on carry-back of such losses to prior years.

### INTEREST EXPENSE

Interest expense, net of interest income, increased by \$314,000 in fiscal 1993 as compared to the previous year, mainly because of increased borrowing levels in Europe to support the purchase of the Olin Hunt business. Although total borrowings were little changed at year end, interest bearing debt was as much as 20% higher at interim dates during the year. Also, the new debt was concentrated in Europe, where rates were higher than those in the U.S., where most debt has been repaid. Fiscal 1992 net interest expense was down \$461,000 as compared to 1991 as interest rates declined and borrowings were reduced.

### INCOME TAXES

The overall effective income tax rate for fiscal 1993 was 37.7%, up from fiscal 1992's 34.1% but down from the 40.1% rate for fiscal 1991. These changes in rates are generally due to changes in mix of earnings among high and low tax rate jurisdictions and to changes in nontaxable income or loss items. During fiscal 1993, the Corporation adopted the provisions of Statement of Financial Accounting Standards No. 109, Accounting for Income Taxes, effective April 1, 1992. The adoption of this standard had no effect upon earnings before income taxes and the cumulative effect on net earnings was not material.

### DIVIDENDS

The Corporation has paid cash dividends out of accumulated earnings continuously since 1948. The total dividend paid for fiscal 1993 was \$.60 per share or about 28% of consolidated after tax net earnings.

### LIQUIDITY AND CAPITAL RESOURCES

Cash flows from operations are used to fund dividend payments to shareholders and other working capital requirements of the Corporation. From time to time it is necessary to utilize additional outside sources to fund overall needs, including particular capital projects, including new and upgraded research and technical, manufacturing and administrative facilities, and for business acquisitions. Since fiscal 1990, a portion of funds previously provided by such outside sources have been repaid utilizing cash flows from operations and from disposition of certain business and properties no longer required after consolidation of manufacturing and other operations. In fiscal 1992, borrowings were reduced by \$750,000. During fiscal 1993 new borrowings, principally related to the acquisition of electronics chemical business in Europe, resulted in a debt increase of approximately \$811,000 in the local currencies in which the borrowings were denominated (see table on following page). However, by the fiscal year end, local currency values had declined compared to the U.S. dollar so that the balance sheet at March 31, 1993, shows a small reduction in overall debt from the previous year. Balances of cash and equivalents have increased by \$1.2 million since March 31, 1992. New capital spending for fiscal 1993 was approximately \$4.6 million or about the same as fiscal 1992. The principal projects in 1993 included manufacturing and technical facilities upgrades in the United States and additions to a technical demonstration facility in Japan.

For the coming year, planned new capital projects total \$5 million in addition to approximately \$200,000 of completion costs for previously approved capital projects begun during fiscal 1993 and expected to be completed in 1994. New capital projects include manufacturing in the U.S., Spain, Great Britain and Taiwan, research in Japan, Imaging research and development and a computer system upgrade in the U.S. MacDermid recently announced a new initiative in developing additional photoimaging chemistry used in several steps in the production of printed wiring boards. The required outlays for equipment for this business area are expected to be modest. Additionally, opportunities for business acquisitions, which become available from time to time, are evaluated individually as they arise. Management intends to pursue any such business opportunities that meet the Corporation's criteria for technological improvement, earnings growth and compatibility with existing manufacturing capability and distribution channels.

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The board of directors of MacDermid has, from time to time, authorized the purchase of issued and outstanding shares of the Corporation's common stock for its treasury. Treasury shares may be used for transfer or sale to employee benefit plans, business acquisitions or for other Corporate purposes. While no such shares were purchased during fiscal 1993, at March 31, 1993, there was a balance of such outstanding authorizations totaling 136,000 shares which, if exercised at the NASDAQ closing share price on March 31, 1993, would cost approximately \$3.7 million.

The principal sources and uses of cash in 1993 and 1992 are listed below:

(In thousands)	1993	1992
Cash provided by:		
Operations . . . . .	\$ 9,342	\$5,782
Proceeds from disposition of fixed assets and certain business . . . . .	916	2,412
Net increase in borrowings . . . . .	811	—
	<u>\$11,069</u>	<u>\$8,194</u>
Cash used for:		
Capital expenditures . . . . .	\$4,594	\$4,453
Business acquisitions . . . . .	2,259	2,157
Dividend payments . . . . .	2,139	2,139
Net decrease in borrowings . . . . .	—	805
Other — net . . . . .	878	(80)
	<u>\$ 9,870</u>	<u>\$9,474</u>

The Corporation's financial position is strong and, other than satisfaction of debt obligations, there are no long-range commitments which would have a significant impact upon results of operations, financial condition or liquidity. At March 31, 1993 MacDermid had unused short-term credit lines with various domestic and foreign banks approximating \$35 million and Management believes that additional borrowing could be obtained if needed.

### INFLATION AND CHANGING PRICES

Management believes that inflation, generally, has had little overall impact upon the Corporation's operations and reported earnings. MacDermid operates principally in stable areas throughout the world. Sales are mainly to companies whose outputs become components in consumer products having wide application and demand and no one customer accounts for a material proportion of sales. While there may be temporary disruptions of economic stability, management believes that their long-term effects will not be significant to the Corporation.

### ENVIRONMENTAL ACTIVITIES

MacDermid remains committed to an active program of environmental responsibility through its Environmental Initiative 2000 program, research and development of alternative, environmentally safer products, training of employees in safe procedures and installation of equipment to reduce or eliminate emissions.

The Corporation sponsors community clean up programs and promotes community awareness of environmental issues. The terms of a State of Connecticut permit require MacDermid to have periodic environmental compliance and environmental management audits performed at its Waterbury, Connecticut facility. These audits will take place over a five-year period commencing in 1993. An environmental consultant has been selected by MacDermid to conduct the audits and submit appropriate recommendations.

MacDermid recently introduced a new line of environmentally friendly products, "New Dimensions" which are used in a variety of industrial cleaning and degreasing applications. Many industries are turning to New Dimensions as a replacement for environmentally harmful solvents in anticipation of government mandated phase-out of ozone depleting substances by December 31, 1995. Precision cleaning of microelectronics, appliance, aerospace and automotive materials can all be accomplished using New Dimensions.

Environmental expenditures that relate to current operations are expensed; long-term betterments are capitalized. The expenditure by the Corporation for these various programs is estimated to be in excess of \$1 million per year. Like many other companies, MacDermid has received notifications that it is a potentially responsible party for remediation of certain hazardous waste sites. Generally, there are many other companies involved in these sites and the Corporation's participation is minor. *Estimated liabilities have been recorded based upon preliminary assessments of the Corporation's involvement.* Future costs are not expected to have a significant effect upon financial condition or results of operations.

All actions involving environmental matters, which were brought against MacDermid by the State of Connecticut in prior years, were settled in April, 1993. Amounts paid under the agreement had been accrued prior to fiscal 1993 and were not material to results of operations. All issues in this matter are resolved.

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# CONSOLIDATED STATEMENT OF EARNINGS & RETAINED EARNINGS

**1993**

**MACDERMID, INCORPORATED AND SUBSIDIARIES**

	Year Ended March 31		
	1993	1992	1991
(In thousands, except share and per share amounts)			
Net sales:			
Proprietary chemicals .....	\$130,132	\$115,595	\$120,937
Equipment, chemicals and supplies resale .....	26,192	29,389	30,422
	<u>156,324</u>	<u>144,984</u>	<u>151,359</u>
Cost of sales .....	83,900	79,908	82,175
Gross profit .....	<u>72,424</u>	<u>65,076</u>	<u>69,184</u>
Selling, technical and administrative expenses .....	56,880	54,038	55,938
Operating profit .....	<u>15,544</u>	<u>11,038</u>	<u>13,246</u>
Other income (expense):			
Interest income .....	364	384	368
Interest expense .....	(1,870)	(1,576)	(2,021)
Foreign exchange .....	(472)	(392)	(189)
Miscellaneous, net .....	(1,228)	1,531	(71)
	<u>(3,206)</u>	<u>(53)</u>	<u>(1,913)</u>
Earnings before income taxes .....	12,338	10,985	11,333
Income taxes (note 5) .....	4,651	3,741	4,549
Net earnings .....	<u>7,687</u>	<u>7,244</u>	<u>6,784</u>
Retained earnings at beginning of year .....	65,943	60,838	56,193
	<u>73,630</u>	<u>68,082</u>	<u>62,977</u>
Less dividends declared on common stock—			
\$ .60 per share .....	2,139	2,139	2,139
Retained earnings at end of year .....	<u>\$ 71,491</u>	<u>\$ 65,943</u>	<u>\$ 60,838</u>
Net earnings per common share .....	<u>\$ 2.16</u>	<u>\$ 2.03</u>	<u>\$ 1.90</u>
Average number of shares .....	<u>3,565,371</u>	<u>3,565,000</u>	<u>3,565,000</u>

See accompanying notes to consolidated financial statements.

**1993**

**MACDERMID, INCORPORATED ANNUAL REPORT**

**CONSOLIDATED BALANCE SHEETS****1993****MACDERMID, INCORPORATED AND SUBSIDIARIES****ASSETS**

	March 31	
	1993	1992
(In thousands)		
Current assets:		
Cash and equivalents .....	\$ 5,831	\$ 4,632
Marketable securities .....	464	484
Accounts receivable, less allowance for doubtful receivables of \$2,660 and \$1,894 .....	43,428	38,822
Inventories (note 2) .....	18,964	21,280
Prepaid expenses .....	1,241	893
Deferred income tax asset .....	1,581	—
Total current assets .....	71,509	66,111
Property, plant and equipment, at cost:		
Land and improvements .....	2,758	2,936
Buildings and improvements .....	24,911	25,185
Machinery, equipment and fixtures .....	32,025	31,595
	59,694	59,716
Less accumulated depreciation and amortization .....	32,118	30,490
Net property, plant and equipment .....	27,576	29,226
Other assets .....	8,088	5,877
	<u>\$107,173</u>	<u>\$101,214</u>

**LIABILITIES & SHAREHOLDERS' EQUITY**

	(In thousands, except share and per share data)	
Current liabilities:		
Notes payable (note 3) .....	\$ 13,821	\$ 13,688
Current installments of long-term obligations (note 7) .....	1,805	1,632
Accounts payable .....	15,023	16,730
Dividends payable .....	535	535
Accrued compensation .....	2,361	1,287
Accrued expenses, other .....	4,987	4,141
Income taxes (note 5) .....	1,927	478
Total current liabilities .....	40,459	38,491
Long-term obligations (note 7) .....	983	1,348
Deferred income taxes .....	454	233
Minority interest in subsidiary .....	96	92
Shareholders' equity (note 9):		
Preferred stock, authorized 2,000,000 shares; none issued .....	—	—
Common stock, without par value. Authorized 20,000,000 shares; issued 4,098,030 shares at stated value of \$1.00 per share .....	4,098	4,096
Additional paid-in capital (note 4) .....	614	464
Retained earnings .....	71,491	65,943
Equity adjustment from foreign currency translation .....	578	2,147
Less cost of 530,648 common shares in treasury .....	(11,600)	(11,600)
Total shareholders' equity .....	65,181	61,050
Contingencies and commitments (notes 8 and 10)	<u>\$107,173</u>	<u>\$101,214</u>

See accompanying notes to consolidated financial statements.

**1993****MACDERMID, INCORPORATED ANNUAL REPORT**



# CONSOLIDATED STATEMENTS OF CASH FLOWS

1993

## MACDERMID, INCORPORATED AND SUBSIDIARIES

(In thousands)

Year Ended March 31

### Cash flows from operating activities:

	1993	1992	1991
Net earnings .....	\$ 7,687	\$ 7,244	\$ 6,784
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Gain on disposition of business .....	—	—	(1,808)
Write-off of goodwill .....	—	—	1,175
Depreciation and amortization .....	4,745	4,766	5,281
Provision for bad debts .....	1,797	1,827	623
Provision for deferred taxes .....	(518)	(40)	(307)
Changes in assets and liabilities net of effects from acquisitions and dispositions:			
Decrease (increase) in receivables .....	(7,822)	(3,500)	(183)
Decrease (increase) in inventories .....	1,870	2,805	486
Decrease (increase) in prepaid expenses .....	(362)	60	389
Increase (decrease) in accounts payable .....	(989)	(119)	(456)
Increase (decrease) in accrued expenses .....	2,171	(4,611)	806
Increase (decrease) in income tax liabilities .....	(26)	(1,515)	(794)
Other .....	789	(1,135)	(902)
Net cash flows from operating activities .....	9,342	5,782	11,094

### Cash flows from investing activities:

Capital expenditures .....	(4,594)	(4,453)	(3,198)
Proceeds from disposition of fixed assets .....	916	2,412	816
Acquisitions of businesses .....	(2,259)	(2,157)	(1,444)
Proceeds from disposition of businesses .....	—	—	4,282
Other investments .....	(662)	(27)	(49)
Net cash flows from (used in) investing activities .....	(6,599)	(4,171)	407

### Cash flows from financing activities:

Long-term and short-term borrowings .....	5,814	5,271	5,477
Long-term and short-term repayments .....	(5,003)	(6,076)	(12,736)
Dividends paid .....	(2,139)	(2,139)	(2,139)
Net cash flows used in financing activities .....	(1,328)	(2,944)	(9,398)

### Effect of exchange rate changes on cash and equivalents .....

(216)	53	69
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### Net increase (decrease) in cash and equivalents .....

1,199	(1,280)	2,172
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### Cash and equivalents at beginning of year .....

4,632	5,912	3,740
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### Cash and equivalents at end of year .....

\$ 5,831	\$ 4,632	\$ 5,912
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### Cash paid for interest .....

\$ 1,823	\$ 1,543	\$ 1,567
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### Cash paid for income taxes .....

\$ 4,768	\$ 3,923	\$ 4,680
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See accompanying notes to consolidated financial statements.

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MACDERMID, INCORPORATED ANNUAL REPORT

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Principles of Consolidation.** The accompanying consolidated financial statements include accounts of the Corporation and all of its domestic and foreign subsidiaries. Certain foreign subsidiaries, for practical purposes, are included on a calendar year basis. All intercompany accounts and transactions are eliminated in consolidation.

The Corporation completed an acquisition of U.S., European and Singapore based printed circuit board chemicals business from Olin Hunt Specialty Products, Inc. on February 3, 1992. Since the Corporation's European group is consolidated on a calendar year basis, a portion of the fair value of assets acquired, including goodwill and other intangibles, were included in the consolidated financial statements in the first quarter of the fiscal year ended March 31, 1993. The operating results of the Corporation for fiscal 1993 include the results of the U.S. and Singapore business for the full year and the European business from February 3, 1992 through December 31, 1992. The total purchase price for the Olin Hunt acquisition was \$4.4 million resulting in goodwill (being amortized over 20 years) and other intangibles of \$2.4 million. Net sales, net earnings and net assets of the acquired business are less than 10% of the Corporation's consolidated net sales, net earnings and net assets before acquisition. The acquisition was accounted for as a purchase transaction.

**(b) Inventories.** Inventories are stated at the lower of moving average cost or replacement market.

**(c) Property, Plant and Equipment.** Depreciation and amortization of property, plant and equipment is provided over the estimated useful lives of the respective assets, principally on the straight-line basis. Expenditures for maintenance and repairs are charged directly to expense; renewals and betterments in general are capitalized. Costs and accumulated depreciation and amortization on assets retired or disposed of are removed from the accounts and the gains or losses resulting therefrom, if any, are credited or charged to earnings.

**(d) Pension Plan.** The Corporation and its domestic subsidiaries maintain a pension plan covering substantially all domestic employees. The Corporation's policy is to fund plan costs accrued, which include amortization of prior service costs, over thirty years. In accordance with the principles of Statement of Financial Accounting Standards No. 87, the projected unit credit actuarial method is used for financial reporting purposes.

**(e) Research and Development.** Research and development costs, charged to expense as incurred, were \$5,796,000, \$5,215,000 and \$5,800,000 in 1993, 1992 and 1991, respectively.

**(f) Income Taxes.** In February 1992, The Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 109 (SFAS 109), Accounting for Income Taxes. SFAS 109 requires a change from the deferral method of accounting for income taxes of APB Opinion 11 to the asset and liability method of accounting for income taxes. Under the asset and liability method of SFAS 109, deferred tax liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under SFAS 109, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Effective April 1, 1992, the Corporation adopted SFAS 109 and the cumulative effect of that change in the method of accounting for income taxes is immaterial to the 1993 consolidated statements of earnings and retained earnings.

Pursuant to the deferral method under APB Opinion 11, which was applied in 1992 and prior to that year, deferred income taxes were calculated for income and expense items using the tax rate applicable to the years during which the deferred income taxes were recognized. Under the deferral method, deferred taxes were not adjusted for subsequent changes in tax rates.

No provision for deferred income taxes is made with respect to equity adjustments from foreign currency translation or to undistributed earnings of subsidiaries which, in management's opinion, will be permanently reinvested or repatriated at a minimal tax cost to the Corporation. Foreign tax credits are recorded as a reduction of the provision for Federal income taxes in the year realized.

**(g) Foreign Operations.** The balance sheet accounts of foreign subsidiaries generally are translated into U.S. dollars at year-end rates of exchange while revenue and expense accounts generally are translated at weighted average rates in effect during the period. Translation of the balance sheets resulted in a decrease in equity of \$1,569,000 in 1993 and an increase in equity of \$70,000 and \$1,457,000 in 1992 and 1991, respectively. Gains and losses on foreign currency transactions are included in the consolidated statements of earnings.

## MACDERMID, INCORPORATED AND SUBSIDIARIES

(h) **Cash and Equivalents.** For the purpose of the consolidated statements of cash flows, the Corporation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

(i) **Fair Value of Financial Instruments.** During 1991, the FASB issued Statement of Financial Accounting Standards No. 107 (SFAS 107) Disclosures about Fair Value of Financial Instruments, which requires that reporting entities provide, to the extent practicable, the fair value of financial instruments, both assets and liabilities. MacDermid has an investment, carried at its original cost of \$740,000, which had a fair market value at March 31, 1993 of \$2,434,000, as determined by reference to published share quotations for the exchange on which the shares are traded. Dividends received on this investment were \$717,000 and \$186,000 for 1992 and 1991, respectively. No such dividends were received in 1993. The carrying amounts for cash and short-term investments approximate fair value because of the short maturity of those instruments. The carrying values of other financial instruments approximate fair value or are not material to the balance sheets.

(j) **Reclassifications.** Certain amounts in the 1992 and 1991 consolidated financial statements and notes thereto have been reclassified to conform with the 1993 presentation.

## 2. INVENTORIES

The major components of inventory at March 31 were as follows:

(In thousands)	1993	1992
Finished goods .....	\$12,919	\$14,816
Raw materials and supplies .....	6,045	6,464
	<u>\$18,964</u>	<u>\$21,280</u>

## 3. NOTES PAYABLE

Notes payable at March 31, 1993 consisted primarily of \$13,821,000 of outstanding borrowings relating to available lines of credit aggregating approximately \$49,000,000. The terms of the lines of credit provide for interest rates at or below the prime rate on the date of borrowing domestically and, for foreign company borrowings, rates that vary with base rates in each currency. With the exception of a \$20 million committed revolving credit, the lines of credit can be withdrawn at any time at the option of the banks.

## 4. EMPLOYEE RETIREMENT & WELFARE PLANS

The Corporation has defined benefit pension, defined contribution profit sharing and employees' stock ownership plans, each of which is funded, as

required, annually for substantially all its domestic employees. A change to the Corporation's contribution formula during fiscal 1992 had the effect of reducing the Corporation's contribution to the profit sharing plan. Aggregate amounts charged to earnings for these plans were \$971,000 in 1993, \$763,000 in 1992 and \$2,668,000 in 1991.

Net pension cost from the Corporation's defined benefit plan included the following components for the years ended March 31:

(In thousands)	1993	1992	1991
Service cost .....	\$ 564	\$ 544	\$ 542
Interest cost .....	1,012	866	831
Actual return on investment ..	(1,511)	(2,956)	(205)
Net amortization and deferrals .....	36	1,706	(1,066)
Net curtailment gain .....	—	(158)	—
Net periodic pension cost ....	<u>\$ 101</u>	<u>\$ 2</u>	<u>\$ 102</u>

The rate of increase in future compensation levels used in determining the actuarial present value of the projected benefit obligation was 5% for 1993 and 1992 and 5.5% for 1991. The expected long-term rate of return on assets and the weighted average settlement rate were 9% and 8.25%, respectively, for 1993, 1992 and 1991.

The following table sets forth the plan's funded status at March 31, 1993 and December 31, 1991 and the amount recognized in the Corporation's consolidated balance sheet at March 31:

(In thousands)	1993	1992
Actuarial present value of benefit obligation: Accumulated benefit obligation including vested benefits of \$9,769 and \$7,940. ...	<u>\$10,330</u>	<u>\$ 8,852</u>
Projected benefit obligation .....	<u>\$13,230</u>	<u>\$11,535</u>
Plan assets at fair value (primarily listed stocks, bonds and guaranteed investment contracts) ...	<u>15,394</u>	<u>14,550</u>
Plan assets in excess of projected benefit obligation .....	<u>2,164</u>	<u>3,015</u>
Unrecognized portion of transition asset (being amortized over 14 years) .....	<u>(1,502)</u>	<u>(1,689)</u>
Unrecognized net (gain) loss .....	<u>(723)</u>	<u>(1,306)</u>
Prepaid (accrued) pension cost .....	<u>\$ (61)</u>	<u>\$ 20</u>



## MACDERMID, INCORPORATED AND SUBSIDIARIES

Income tax expense attributable to income from continuing operations was \$4,651,000, \$3,741,000 and \$4,549,000 for the years ended March 31, 1993, 1992 and 1991, respectively, and differed from the amounts computed by applying the U.S. Federal income tax rate of 34 percent to pretax income from continuing operations as a result of the following:

(In thousands, except tax rate)	1993	1992	1991
Computed "expected" Federal income tax.....	\$4,195	\$3,735	\$3,853
State income taxes, net of Federal tax benefit .....	429	247	183
Foreign tax rate differential. . .	(405)	(212)	280
Change in the beginning of the year balance of the valuation allowance for deferred tax assets allocated to income tax expense .....	34	—	—
No tax benefit for loss of unconsolidated corporate joint venture .....	200	—	—
Other, net .....	198	(29)	233
Actual income taxes .....	\$4,651	\$3,741	\$4,549
Effective tax rate .....	37.7%	34.1%	40.1%

The significant components of deferred income tax expense (benefit) attributable to income from continuing operations for the year ended March 31, 1993 are:

(In thousands)

Deferred tax benefit (exclusive of the effects of other components listed below) .....	\$ (56)
Increase in beginning of the year balance of the valuation allowance for deferred tax assets .....	34
Tax benefit of foreign net operating losses .....	(467)
Deferred inventory costs .....	104
Excess of financial statement over tax depreciation .....	(133)
	<u>\$(518)</u>

For the years ended March 31, 1992 and 1991, deferred income tax benefit of \$(40,000) and \$(307,000), respectively, resulted from timing differences in the recognition of income and expense for income tax and financial reporting purposes.

The sources and tax effects of those timing differences are:

(In thousands)

	1992	1991
Excess of financial statement over tax depreciation .....	\$(228)	\$(249)
Deferred inventory costs .....	30	(248)
Other, net .....	158	190
	<u>\$ (40)</u>	<u>\$(307)</u>

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities at March 31, 1993 are:

(In thousands)

Deferred tax assets:	
Accounts receivable, principally due to allowance for doubtful accounts .....	\$ 224
Inventories, principally due to additional costs inventoried for tax purposes pursuant to the Tax Reform Act of 1986 and non-deductible inventory reserves .....	358
Accrued liabilities .....	489
Foreign net operating loss carryforwards .....	920
Other .....	256
Total gross deferred tax assets .....	<u>2,247</u>
Less valuation allowance .....	<u>390</u>
Net deferred assets .....	<u>1,857</u>
Deferred tax liabilities:	
Plant and equipment, principally due to differences in depreciation .....	564
Other .....	166
Total gross deferred tax liabilities .....	<u>730</u>
Net deferred asset .....	<u>\$1,127</u>

The valuation allowance for deferred tax assets as of April 1, 1992 was \$356,000. The net change in the total valuation allowance for the year ended March 31, 1993 was an increase of \$ 34,000. The deferred tax asset of \$920,000, related to foreign net operating loss carryforwards, results primarily from losses incurred by the Corporation's German subsidiary. This asset has been reduced by the \$390,000 valuation allowance. The remaining net deferred asset of \$530,000 primarily represents that portion of the loss carryforward which management believes is more likely than not to be realized from future taxable income generated by the German subsidiary. The Corporation is in the process of reorganizing the German operations and expects to generate sufficient taxable income in fiscal 1994 and 1995 to realize this net deferred tax asset. The remaining net operating loss carryforward in Germany is approximately \$1,600,000.

The Corporation has not recognized a deferred tax liability for the undistributed earnings of subsidiaries that arose in 1993 and prior years because the Corporation currently does not expect those unremitted earnings to reverse and become taxable to the Corporation in the foreseeable future. A deferred tax liability will be recognized when the Corporation expects that it will recover those undistributed earnings in a taxable manner, such as through receipt of dividends, net of available foreign tax credits, or sale of the investments. As of March 31, 1993 the undistributed earnings of those subsidiaries were approximately \$16,713,000.

**6. SEGMENT REPORTING**

The Corporation is engaged in the business of developing, manufacturing and marketing industrial chemicals, supplies and related equipment. No other segment constituted more than 10% of revenues or net earnings and no

individual customer accounted for more than 10% of sales. The following table is a summary of the Corporation's operations by geographic area:

(In thousands)	United States	Europe	Far East	Independent	Consolidated
	<b>1993</b>				
Net sales to unaffiliated customers:					
Proprietary .....	\$60,804	\$32,860	\$25,450	\$11,018	\$130,132
Total Sales .....	\$67,773	\$41,717	\$31,634	\$15,200	\$156,324
Cost of goods sold .....	35,508	25,358	14,611	8,423	83,900
Selling, technical and administrative expense .....	28,713	12,913	10,594	4,660	56,880
Operating profit .....	3,552	3,446	6,429	2,117	15,544
Other income (expense) .....	1,645	(2,596)	(1,304)	(951)	(3,206)
Net income before tax .....	5,197	850	5,125	1,166	12,338
Income taxes .....	2,651	148	1,287	565	4,651
Net earnings .....	\$ 2,546	\$ 702	\$ 3,838	\$ 601	\$ 7,687
Identifiable assets .....	\$51,176	\$23,140	\$25,451	\$ 7,406	\$107,173
	<b>1992</b>				
Net sales to unaffiliated customers:					
Proprietary .....	\$58,000	\$26,059	\$20,298	\$11,238	\$115,595
Total Sales .....	\$66,637	\$37,721	\$25,234	\$15,392	\$144,984
Cost of goods sold .....	36,250	23,634	11,220	8,804	79,908
Selling, technical and administrative expense .....	28,444	11,814	8,765	5,015	54,038
Operating profit .....	1,943	2,273	5,249	1,573	11,038
Other income (expense) .....	2,283	(1,416)	(323)	(597)	(53)
Net income before tax .....	4,226	857	4,926	976	10,985
Income taxes .....	1,654	439	1,203	445	3,741
Net earnings .....	\$ 2,572	\$ 418	\$ 3,723	\$ 531	\$ 7,244
Identifiable assets .....	\$46,424	\$23,507	\$23,244	\$ 8,039	\$101,214
	<b>1991</b>				
Net sales to unaffiliated customers:					
Proprietary .....	\$60,159	\$29,887	\$17,989	\$12,902	\$120,937
Total Sales .....	\$72,319	\$38,481	\$23,891	\$16,668	\$151,359
Cost of goods sold .....	40,006	21,756	11,612	8,801	82,175
Selling, technical and administrative expense .....	32,153	11,466	7,215	5,104	55,938
Operating profit .....	160	5,259	5,064	2,763	13,246
Other income (expense) .....	2,728	(1,304)	(1,890)	(1,447)	(1,913)
Net income before tax .....	2,888	3,955	3,174	1,316	11,333
Income taxes .....	1,389	1,416	1,022	722	4,549
Net earnings .....	\$ 1,499	\$ 2,539	\$ 2,152	\$ 594	\$ 6,784
Identifiable assets .....	\$49,906	\$25,264	\$19,124	\$ 8,958	\$103,252

**7. LONG-TERM OBLIGATIONS**

Long-term obligations at March 31 consisted of the following:

(In thousands)	1993	1992
Mortgage note payable, 9% due in annual installments to 1997.....	\$ 456	\$ 558
Mortgage note payable, variable interest (8.7% at March 31, 1993), due in quarterly installments of \$32,000 to 1993 .....	94	280
Mortgage note payable, 10% repaid in 1993.....	—	277
Note payable, variable interest (7.0% at March 31, 1993), due in monthly installments to 1993 .....	285	387
Note payable, variable interest (7.0% at March 31, 1993), due in monthly installments to 1994 .....	307	404
Debenture, 4.2% interest due in 1993 .....	1,334	745
Other, due in varying amounts to 1995 .....	312	329
Total long-term obligations .....	2,788	2,980
Less current portion .....	1,805	1,632
Long-term portion .....	<u>\$ 983</u>	<u>\$1,348</u>

Minimum principal payments on long-term obligations for the five fiscal years subsequent to March 31, 1993 are as follows:

(In thousands)	
1994 .....	\$1,805
1995 .....	310
1996 .....	255
1997 .....	415
1998 .....	3
Thereafter .....	—
Total .....	<u>\$2,788</u>

At March 31, 1993 there were no restrictive covenants relative to long-term debt for which non compliance would have a material effect on the financial statements.

**8. LEASE COMMITMENTS**

The Corporation leases certain warehouse space, transportation, computer and other equipment. Contingent rentals are paid for warehouse space on the basis of the monthly quantities of materials stored and for transportation and other equipment on the basis of mileage or usage. Total rental expense amounted to \$4,427,000 in 1993, \$3,903,000 in 1992 and \$3,557,000 in 1991 of which \$610,000, \$546,000 and \$507,000, respectively, were contingent rentals. Minimum lease commitments under operating leases for the fiscal years subsequent to March 31, 1993 are as follows:

(In thousands)	
1994 .....	\$3,396
1995 .....	1,054
1996 .....	582
1997 .....	297
1998 .....	238
Thereafter .....	58
Total .....	<u>\$5,625</u>

**9. TREASURY STOCK**

The Board of Directors has authorized the Corporation from time-to-time to make purchases of issued and outstanding shares of the Corporation's stock in the open market or in privately negotiated transactions for the purpose of contribution or sale to one or more of its employee benefit plans and for possible other general corporate purposes. There were no such transactions during any of the years in the three-year period which ended March 31, 1993.

**10. CONTINGENCIES**

The Corporation is a party to a number of lawsuits and claims arising out of the ordinary conduct of business. While the ultimate results of the proceedings against the Corporation cannot be predicted with certainty, management does not expect that resolution of these matters will have a material adverse effect upon its consolidated financial position.

The Corporation's business operations, consist principally of manufacture and sale of specialty chemicals, supplies and related equipment to customers throughout much of the world. About 65% of the business is concentrated with manufacturers of printed circuit boards which are used in a wide variety of end-use applications, including computers, communications and control equipment, appliances, automobiles and entertainment products. As is usual for this business, the Corporation generally does not require collateral or other security as a condition of sale, choosing, rather, to control credit risk of trade account financial instruments by credit approval, balance limitation and monitoring procedures. Management believes that reserves for losses, which are established based upon review of account balances and historical experience, are adequate.



# MANAGEMENT'S STATEMENT OF FINANCIAL RESPONSIBILITY

# INDEPENDENT AUDITORS' REPORT

## MACDERMID, INCORPORATED AND SUBSIDIARIES



245 Freight Street  
Waterbury, CT 06702

To Our Shareholders  
MacDermid, Incorporated

The financial information in this report including the audited financial statements has been prepared by management. Preparation of financial statements and related data involves the use of judgement. Accounting principles used in preparing financial statements are those that are generally accepted in the United States.

To safeguard Corporate assets, it is important to have a sound but dynamic system of internal controls and procedures that balances benefits and costs. The Corporation employs professional financial managers whose responsibilities include implementing and overseeing the financial control system, reporting on management's stewardship of assets entrusted to it by share owners and performing accurate and proper maintenance of the accounts.

Management has long recognized its responsibility for conducting the affairs of the Corporation and its affiliates in an ethical and socially responsible manner. MacDermid, Incorporated is dedicated to the highest standards of integrity. Integrity is not an occasional requirement, but a continuing commitment.

KPMG Peat Marwick conducts an objective, independent review of management's fulfillment of its obligations relating to the fairness of reported operating results and financial condition. Their report for 1993 appears adjacent to this statement.

The Audit Committee of the Board of Directors, consisting solely of Directors independent of MacDermid, maintains an ongoing appraisal on behalf of the share owners of the effectiveness of the independent auditors and the Corporation's staff of financial and operating management with respect to the financial controls.

*Daniel H. Leever*      *C. Rice*

Daniel H. Leever

President and Chief Executive Officer

Charles D. Rice

Vice President, Chief Financial Officer  
and Treasurer



Certified Public Accountants      CityPlace II  
Hartford, CT 06103-4103

The Board of Directors and Shareholders  
MacDermid, Incorporated

We have audited the accompanying consolidated balance sheets of MacDermid, Incorporated and subsidiaries as of March 31, 1993 and 1992, and the related consolidated statements of earnings and retained earnings and cash flows for each of the years in the three- year period ended March 31, 1993. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of MacDermid, Incorporated and subsidiaries at March 31, 1993 and 1992 and the results of their operations and their cash flows for each of the years in the three-year period ended March 31, 1993 in conformity with generally accepted accounting principles.

As discussed in Note 5 to the consolidated financial statements, the Company adopted the provisions of the Financial Accounting Standards Board's Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" in 1993.

*KPMG Peat Marwick*

May 21, 1993

# SELECTED FINANCIAL DATA

1993

MACDERMID, INCORPORATED AND SUBSIDIARIES

## SELECTED QUARTERLY RESULTS

	1993 by Quarters				
	June	September	December	March	TOTAL
(UNAUDITED)					
(In thousands, except per share amounts)					
Net sales .....	\$ 38,906	\$ 39,748	\$ 39,564	\$ 38,106	\$156,324
Gross profit .....	17,400	18,254	18,364	18,406	72,424
Net earnings .....	1,596	2,013	1,664	2,414	7,687
Earnings per share .....	\$ 0.45	\$ 0.56	\$ 0.47	\$ 0.68	\$2.16

	1992 by Quarters				
	June	September	December	March	TOTAL
Net sales .....	\$ 38,068	\$ 35,281	\$ 33,106	\$ 38,529	\$144,984
Gross profit .....	17,395	16,496	15,403	15,782	65,076
Net earnings .....	1,451	2,073	1,690	2,030	7,244
Earnings per share .....	\$ 0.41	\$ 0.58	\$ 0.47	\$ 0.57	\$2.03

## MARKET RANGE RECORD

QUARTER	Fiscal 1993		Fiscal 1992	
	High Bid	Low Bid	High Bid	Low Bid
June .....	28	23 <sup>3</sup> / <sub>4</sub>	26 <sup>1</sup> / <sub>2</sub>	23
September .....	28 <sup>1</sup> / <sub>4</sub>	25 <sup>1</sup> / <sub>4</sub>	26	21
December .....	29 <sup>1</sup> / <sub>2</sub>	26 <sup>1</sup> / <sub>4</sub>	25	21
March .....	27 <sup>1</sup> / <sub>2</sub>	25 <sup>7</sup> / <sub>8</sub>	29	23 <sup>1</sup> / <sub>2</sub>
Bid at close March 31 .....	27		28 <sup>1</sup> / <sub>8</sub>	

Source: NASDAQ/NMS Monthly Statistical Report

## DIVIDEND RECORD

QUARTER	Fiscal 1993			Fiscal 1992		
	Record Date	Payable Date	Amount Declared	Record Date	Payable Date	Amount Declared
June .....	6/15/92	7/1/92	\$ 0.15	6/17/91	7/1/91	\$ 0.15
September .....	9/15/92	10/1/92	\$ 0.15	9/16/91	10/1/91	\$ 0.15
December .....	12/15/92	1/4/93	\$ 0.15	12/16/91	1/2/92	\$ 0.15
March .....	3/15/93	4/1/93	\$ 0.15	3/16/92	4/1/92	\$ 0.15

1993

MACDERMID, INCORPORATED ANNUAL REPORT

**DIRECTORS:**

**Harold Leever**, Chairman of the Board

**Daniel H. Leever**, President and  
Chief Executive Officer

**Arthur J. LoVetere**, Vice Chairman

**Donald G. Ogilvie**, Executive Vice President,  
American Bankers Association

**Thomas W. Smith**, President of Prescott  
Investors, Inc.

**Walter F. Torrance, Jr.**, Partner, Carmody &  
Torrance, Attorneys

**Robert F. Weltzien**, Chairman and Chief  
Executive Officer of LISA Products Corporation

**Francis M. White**, Retired Chairman of the  
Board, Bank of Boston Connecticut

**OFFICERS:**

**Harold Leever**, Chairman of the Board

**Arthur J. LoVetere**, Vice Chairman

**Daniel H. Leever**, President  
and Chief Executive Officer

**Charles D. Rice**, Vice President, Chief  
Financial Officer and Treasurer

**VICE PRESIDENTS:**

**Terrence C. Copeland**

**John J. Grunwald**

**Peter E. Kukanskis**

**Gary B. Larson**

**Michael A. Pfaff**

**Arthur J. Siegmund**

**CONTROLLER:**

**Arthur J. LoVetere, Jr.**

**CORPORATE SECRETARY:**

**Gerald F. Renner**

**CORPORATE HEADQUARTERS:**

245 Freight Street  
Waterbury, Connecticut 06702  
203/575-5700

**AUDITORS:**

KPMG Peat Marwick

**REGISTRAR OF STOCK AND  
TRANSFER AGENT:**

Harris Trust Company of New York

**SEC FORM 10K:**

The Annual Report and the SEC Form 10K  
statement are available without charge by written  
request to:

Corporate Secretary  
MacDermid, Incorporated  
245 Freight Street  
Waterbury, CT 06702

**DIVIDEND REINVESTMENT PLAN:**

A systematic investment service is available to all  
MacDermid shareholders. The service permits  
investment of MacDermid, Incorporated dividends  
and voluntary cash payments in additional shares of  
MacDermid stock.

Please direct any inquiries to:

Harris Trust Company of New York  
c/o Harris Trust and Savings Bank  
Dividend Reinvestment Department  
P.O. Box A3309,  
Chicago, IL 60690.

**SHAREHOLDERS' QUESTIONS:**

Shareholders with questions concerning nonreceipt  
of dividend checks, transfer requirements,  
registration and address changes, or who need a  
duplicate 1099 statement, should write to:  
Harris Trust Company of New York  
77 Water Street, 4th Floor  
New York, NY 10005.

**MARKET & DIVIDEND  
INFORMATION:**

The common shares of MacDermid, Incorporated  
are traded on the Over-the-Counter Market  
(Symbol: MACD). Price and shares traded are  
listed in the daily newspaper listing and are  
supplied by the National Association of  
Securities Dealers through NASDAQ, its  
automated system for reporting quotes.  
Approximate number of Holders as of May 31,  
1993 – 1,000 CUSIP-554273 102.

**ANNUAL MEETING:**

The Annual Meeting of Shareholders will be  
held on Friday, July 23, 1993 at 3:30 p.m., at the  
Holiday Inn Waterbury, 63 Grand Street,  
Waterbury, CT.

**LOCATIONS IN THE AMERICAS:**

**United States:** Waterbury, CT;  
East Rutherford, NJ; Cincinnati, OH;  
Ferndale, MI; Eden Prairie, MN; Dallas, TX.  
**Canada:** MacDermid Chemicals Inc.  
**Brazil:** MacDermid do Brasil,  
Industria E Comercio, Ltda.  
**Mexico:** Quimetal Pemder S.A.  
**Puerto Rico:** Manuel del Valle, Inc.  
**Argentina:** Metal Chem, S.A.

**LOCATIONS WORLDWIDE:****EUROPE:**

**England:** MacDermid G.B., Ltd.  
**Benelux:** MacDermid Benelux, B.V.  
**France:** MacDermid France, S.A.  
**Italy:** MacDermid Italiana SRL  
**Spain:** MacDermid Espanola, S.A.  
**Switzerland:** MacDermid Suisse, S.A.  
**Germany:** MacDermid GmbH  
**Finland:** Kemiska AB Candor  
**Sweden:** Kemiska AB Candor

**ASIA:**

**Hong Kong:** MacDermid Asia;  
MacDermid Hong Kong, Ltd.  
**Japan:** Nippon MacDermid K.K.  
**Korea:** MacDermid Korea Ltd.  
**Singapore:** MacDermid Singapore, Pte Ltd.  
**Taiwan:** MacDermid Taiwan, Ltd.

**OTHER LOCATIONS:**

**Australia:** MacDermid Australia Branch  
**Israel:** MacDermid Israel Ltd.  
**Rep. of South Africa:** MacDermid S.A.  
(PTY) Ltd

**BUSINESS PARTNERSHIPS:**

**ECO-MAC Ltd.:** Hong Kong  
**Siegmund, Incorporated:** Waterbury, CT.



A SPECIALTY CHEMICAL COMPANY

245 FREIGHT STREET

WATERBURY, CONNECTICUT 06702